

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington D.C. 20554

RECEIVED

SEP - 1 1993

In re Applications of

MM Docket No. 93-156

TRINITY CHRISTIAN CENTER OF SANTA
ANA, INC., d/b/a TRINITY
BROADCASTING NETWORK

File No. BRCT-911129KE

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

For Renewal of License of
Television Station WHSG(TV)
Monroe, Georgia

GLENDALE BROADCASTING COMPANY

File No. BPCT-920228KE

For Construction Permit
Monroe, Georgia

To: Administrative Law Judge
Joseph Chachkin

**MASS MEDIA BUREAU'S COMMENTS ON
CONTINGENT MOTION TO ENLARGE ISSUES**

1. On August 12, 1993, Trinity Christian Center of Santa Ana, Inc. d/b/a Trinity Broadcasting Network ("Trinity"), filed a contingent motion to enlarge the issues¹ in this proceeding seeking, inter alia, a financial qualifications issue against Glendale Broadcasting Company ("Glendale").² The Mass Media Bureau hereby files its comments on Trinity's motion.

¹ Trinity's motion is contingent upon the disposition of the motion to dismiss Glendale's application filed by Trinity on June 25, 1993. The Bureau filed an opposition to Trinity's motion on July 8, 1993.

² Trinity also requests that the Presiding Judge add several issues which Trinity had requested be added against Glendale in the Miami proceeding (MM Docket No. 93-75). Recognizing that the Presiding Judge has already denied addition of these issues in that proceeding, Trinity requests addition of these issues only to preserve its appellate rights. Trinity does not argue these issues on the merits and the Bureau will not comment on them herein.

2. In its application filed on February 28, 1992, Glendale estimated that the cost of constructing and operating its proposed Monroe, Georgia, station for three months without revenue would be \$2,871,066. To meet those costs, Glendale is relying on a personal loan from George F. Gardner, Glendale's president and majority stockholder. Until March 26, 1992, when Glendale amended its Miami application to substitute a commitment letter from a bank, Gardner was simultaneously committed to financing Glendale's proposed Miami station.³ The combined cost of constructing and initially operating both the Miami and the Monroe stations would be \$5,040,882.

3. In his February 26, 1992, loan commitment letter to Glendale for the Monroe application, Garner stated that he did not have the liquid assets to finance the Monroe proposal. Gardner, however, further stated that he had "identified specific assets which are unencumbered and that can be readily converted to cash or other liquid assets" which, when sold, would allow him to meet his commitment. In its opposition to Trinity's motion to dismiss Glendale's application, filed July 8, 1993, Glendale provided a declaration by Gardner who states that when he signed the Miami and Monroe applications he had a statement detailing his financial condition as of December 6, 1991, which showed that

³ Although Gardner indicated that he was capable of financing the entire amount required for the Miami station, the Miami application stated that Glendale also had available \$1,156,450 from an equipment leasing company.

he had assets of \$11,997,327, with no liabilities. Moreover, he states that even reducing the value of the "amounts receivable" in that statement by twenty-five percent and the value of the listed real estate by one-third, his financial statement still shows assets far exceeding the \$5,040,882, needed to finance both the Miami and Monroe applications.

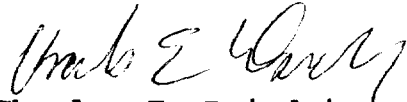
4. According to Trinity, a financial issue against Glendale is warranted because Glendale has not established that Gardner had obtained a professional appraisal to ascertain whether his non-liquid assets were sufficient to finance Glendale's Miami and Monroe applications. In the absence of an independent professional appraisal, Trinity contends, it is well settled that non-liquid assets will not support an applicant's financial certification. Citing, inter alia, Central Florida Communications Group, Inc., 8 FCC Rcd 4128 (1993). Trinity also alleges that the ratio of Gardner's total assets (\$12 million) to his loan commitment (\$5 million) is substantially less than the ratio deemed acceptable in other cases. Citing, Central Florida Group, Inc., 8 FCC Rcd at 4130-31, quoting Texas Communications Limited Partnership, 6 FCC Rcd at 5194, n. 7. In Central Texas a ratio of slightly more than 2:1 was found not enough. (Id).

5. The Commission assumes that an applicant will be able to honor its financial commitment "[w]here a small amount of money must be obtained from a large amount of non-liquid assets."


United Artists Broadcasting Inc., 4 RR 2d 453, 459 (Rev. Bd. 1964). Here, Gardner has affirmatively stated that he does not have the liquid assets to finance the Glendale proposals. Moreover, although he states that he has substantial assets, he gives no indication of what percent of his assets are liquid or the nature of those assets. Finally, the amount of money which must be raised to finance the two pending proposals is large. Consequently, there is no assurance that Gardner can raise the funds needed to honor his commitments to Glendale. In these circumstances, the Bureau supports addition of the requested financial issue, absent a persuasive showing by Gardner that his assets were sufficient to finance both of Glendale's proposals simultaneously. See, Opal Chadwell, 4 FCC Rcd 1215 (1989).

6. In sum, absent a persuasive showing by Gardner that he has sufficient assets to finance Glendale's proposal, the Bureau supports addition of a financial issue against Glendale,

Respectfully submitted,
Roy J. Stewart
Chief, Mass Media Bureau


Charles E. Dziedzic
Chief, Hearing Branch


Robert A. Zauner


Gary P. Schonman
Attorneys
Mass Media Bureau

Federal Communications Commission
2025 M Street, N.W.
Suite 7212
Washington, D.C. 20554
(202) 632-6402

September 1, 1993

CERTIFICATE OF SERVICE

Michelle C. Mebane, a secretary in the Hearing Branch, Mass Media Bureau certifies that she has on this 1st day of September 1993, sent by regular United States mail, U.S. Government frank copies of the foregoing **"Mass Media Bureau's Comments on Contingent Motion to Enlarge Issues"** to:

Lewis I. Cohen, Esq.
Cohen & Berfield, P.C.
1129 20th Street, N.W., Suite 507
Washington, D.C. 20036

Colby M. May, Esq.
May & Dunne, Chartered
1000 Thomas Jefferson Street, NW
Suite 520
Washington, D.C. 20007

Nathaniel F. Emmons, Esq.
Mullin, Rhyne, Emmons & Topel, P.C.
1000 Connecticut Avenue, NW, #500
Washington, D.C. 20036



Michelle C. Mebane